

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII
29 July 2022 10:00 AM lrs
Pam Hartman Beyer, Clerk of Court

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UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF HAWAII

JAMES PAULETT CHARLTON JR,
Plaintiff,

vs.

AGNES GRIEG A/K/A AGNES CANNON;
FIRST HAWAIIAN BANK;
BANK OF HAWAII;
MAUI LOAN INC.;
RICHARD DAN;
RICHARD DAN D/B/A KAMAAINA LOAN;
RICHARD DAN D/B/A MAUI PAWN SHOP;
CAROLYN DAN A/K/A CAROLYN PRINTZ;
VALLEY ISLE LOAN LLC;
CASE LOMBARDI & PETTIT A LAW
CORPORATION;
DOES 1-20

Defendants

Case No.: 22-00344 LEK-RT

COMPLAINT FOR:

I) VIOLATIONS OF SECURITIES
ACT OF 1933;
II) BREACH OF CONTRACT;
III) ACCOUNT STATED;
IV) ACCOUNTING;
V) ALTER EGO LIABILITY;
VI) FRAUD IN THE INDUCEMENT;
VII) BREACH OF FIDUCIARY DUTY

JURY TRIAL REQUESTED

I. The Parties to this Complaint

I. Plaintiff

1. James Paulett Charlton Jr resides in Haiku, Hawaii in the County of Maui and is successor in interest to all claims and causes of action formerly held by Ms. Nanette Guillory with respect to the various defendants.

II. Defendants

1. AGNES GRIEG A/K/A AGNES CANNON, an individual, is currently working as an officer for defendant FIRST HAWAIIAN BANK with a business address of 20 West Kaahumanu Avenue Kahului HI 96732 with a business telephone number of (808) 877-2311. GRIEG was previously employed by defendant BANK OF HAWAII.
2. FIRST HAWAIIAN BANK, a corporation, is the current employer of defendant GREIG and has a business address of 20 West Kaahumanu Avenue Kahului HI 96732 with a business telephone number of (808) 877-2311.
3. BANK OF HAWAII, a corporation, is the former employer of defendant GREIG and has a business address of 11 E Kamehameha Ave, Kahului, HI 96732 with a business telephone number of (808) 871-8250.
4. MAUI LOAN INC., a corporation, is party, as "borrower", to those certain loan securities documents described later in this complaint and is wholly owned and operated by

1 defendants Richard and Carolyn Dan and has a business
2 address of 98 North Market Street Wailuku, HI, with a
3 business telephone number of (808) 242-5555.

4 5. RICHARD DAN, an individual, is an owner of defendant Maui
5 Loan Inc. and signed those certain loan securities documents
6 described later in this complaint, in his capacity as
7 "president" in which defendant Maui Loan Inc is party as
8 "borrower." RICHARD DAN has a business address of 98 North
9 Market Street Wailuku, HI, with a business telephone number
10 of (808) 242-5555 and is married to defendant CAROLYN DAN.

11 6. RICHARD DAN D/B/A KAMAAINA LOAN, a sole proprietorship, is
12 operated by defendant RICHARD DAN at the same address and
13 phone number as defendant MAUI LOAN INC.

14 7. RICHARD DAN D/B/A MAUI PAWN SHOP, a sole proprietorship, is
15 operated by defendant RICHARD DAN at the same address as
16 defendant MAUI LOAN INC with a phone number of (808) 877-
17 0676.

18 8. CAROLYN DAN A/K/A CAROLYN PRINTZ - an individual, is an
19 owner of defendant Maui Loan Inc. and is listed in various
20 business filings with the State of Hawaii as among
21 "incorporator", "director", "vice president", or "president"
22 of Maui Loan Inc. CAROLYN DAN has a business address of 98
23 North Market Street Wailuku, HI, with a business telephone
24 number of (808) 242-5555 and is married to defendant RICHARD

1 DAN.

2 9. VALLEY ISLE LOAN LLC – a Hawaii corporation, is owned and
3 operated by defendant CAROLYN DAN A/K/A CAROLYN PRINTZ and
4 has a business address of 98 North Market Street Wailuku,
5 HI, with a business telephone number of (808) 281-8181.

6 10. CASE LOMBARDI & PETTIT A LAW CORPORATION, among other
7 things, prepared and transmitted, via US Mail and other
8 means, those certain loan securities documents described
9 later in this complaint.

10 11. Does 1-20 are parties whose names and roles are currently
11 unknown to Plaintiff and this complaint will be amended as
12 their names, actions, and roles are discovered during the
13 course of prosecuting this complaint.

14 **II. Basis for Jurisdiction**

15 This complaint is brought under 15 U.S. Code § 77a, et seq
16 (the “Securities Act of 1933”), which creates rights of action
17 whereby an individual may sue to recover principal and
18 interest for investments in unregistered securities.

19 As such, original jurisdiction vests with this Court under 28
20 U.S. Code §1333. As shown later in this complaint, this Court
21 also has supplemental jurisdiction over the remaining claims
22 and causes of action under 28 U.S. Code §1367 due to the fact
23 that those claims are so related to the Securities Act of 1933
24 claims that they form part of the same case or controversy

1 under Article III of the United States Constitution.

2
3 **III. Statement of Facts giving rise to the various Claims**

- 4
5 1) Facts that are presented in the various documents attached to
6 the instant complaint are treated as the true for the purpose
7 of this complaint, subject to later determination by the
8 finder of fact at trial in this matter. With few exceptions
9 as detailed later in this complaint, such facts represent
10 admissions of the drafter of those documents, and the parties
11 actually participating in the drafting of those documents.
- 12 2) All remaining facts herein are stated on information and
13 belief, subject to discovery and witness testimony in the
14 instant action.
- 15 3) Nanette Guillory, the original lender on the "loan securities
16 documents" at issue in this complaint, became acquainted with
17 Defendant GRIEG through Nanette's mother, Ms. Roxanne Wall.
- 18 4) Unbeknownst to Ms. Guillory and her mother, GRIEG was managing
19 and participating in a criminal enterprise which preyed upon
20 the cash reserves and other assets of unsophisticated and
21 unsuspecting single women such as Ms. Guillory and her mother
22 Ms. Wall.
- 23 5) GRIEG represented herself as an employee and officer of, at
24 first, defendant BANK OF HAWAII, and later in the relationship
with Ms. Guillory, as an employee and officer of defendant

1 FIRST HAWAIIAN BANK, where she remains to this day.

2 6) GRIEG introduced herself to Ms. Wall at church, where she

3 learned that Ms. Wall had investible cash reserves and a

4 substantial monthly royalty stream from the operation of oil

5 and gas wells in the vicinity of Louisiana and Texas.

6 7) GRIEG initially recruited Ms. Wall to invest her cash reserves

7 into various insured offerings from Bank of Hawaii and First

8 Hawaiian Bank.

9 8) GREIG held herself out to be the "private banker" for Ms. Wall

10 and subsequently for Ms. Guillory.

11 9) GRIEG abused her position of trust and fiduciary

12 responsibilities and subsequently directed Ms. Wall to divert

13 funds from those insured bank accounts into "outside

14 investments," such as private loans, which GRIEG represented

15 were safe but offered a much higher rate of return than

16 investments in those banks.

17 10) GRIEG's immediate supervisor at Bank of Hawaii had full

18 knowledge of these "outside investments" and condoned and

19 vouched for them as well.

20 11) GRIEG's immediate supervisor moved employment with GRIEG

21 when she transferred her employment and officer relationship

22 to First Hawaiian Bank and became her supervisor at GREIG's

23 new role.

24 12) Unbeknownst to Ms. Guillory and Ms. Wall, those "outside

1 investments" were predominantly other potential customers of
2 the bank employing GRIEG at that time, and for which those
3 banks had already declined to make loans or other funding
4 available. In short, those "outside investments" were not
5 bankable due to risk and other regulatory criteria.

6 13) GRIEG and her supervisor saw an opportunity to play "match
7 maker", and act as a broker for deals between bank clients who
8 wanted money, and bank clients who had liquid funds, in what
9 can only be described as a criminal enterprise.

10 14) GRIEG has operated such criminal enterprise for over two
11 decades, abusing the trust her clients vested in those banking
12 institutions employing her, with full knowledge and support of
13 her immediate supervisor, and other staff and officers of
14 those banks.

15 15) GRIEG, in her self-declared role as "private banker", for
16 Ms. Guillory and Ms. Wall, among her other client prey, signed
17 documents and endorsed checks for those clients, directing
18 funds into various accounts and investments at her own whim
19 with no accounting nor accountability to her clients.

20 16) GREIG even had the client's keys to Ms. Wall's safe deposit
21 box and would shuttle documents and other valuables from Ms.
22 Wall to those safe deposit boxes.

23 ...

24 17) Ms. Guillory moved to become resident of Maui in 1978,

1 possessing only a high school education and advanced training
2 in the performing arts of ballet. She became a ballet
3 teacher, teaching in Hana, where she resided, and at the Maui
4 Arts and Cultural Center in Kahului with the Maui Academy of
5 Performing Arts.

6 **18)** Ms. Guillory's mother, Roxanne Wall, moved to become
7 resident of Maui in the early 1980's.

8 **19)** GRIEG wormed her way into the personal lives of Ms. Wall
9 and Ms. Guillory and eventually attended their private family
10 events and had unlimited access to their homes without
11 invitation.

12 **20)** During the course of the relationship with GRIEG, Ms.
13 Guillory came to learn that GRIED considered defendant CAROLYN
14 DAN to be one of GRIEG's closest and best friends.

15 **21)** From late 2015 until early 2021 Ms. Guillory was home-bound
16 and mostly bed-ridden due to a mysterious illness and she was
17 incapable of managing her financial affairs.

18 **22)** In July 2021, Ms. Guillory sent demand for payment and a
19 compromise settlement offer to defendants MAUI LOAN INC. and
20 RICHARD DAN.

21 **23)** In June 2022, Ms. Guillory entered into discussions with
22 Plaintiff Charlton regarding the prosecution of her claims and
23 causes of action. During the course of those discussions and
24 related research, she came to learn that she was deprived of

1 her rights under the Securities Act of 1933 by the defendants,
2 and each of them, failure to (a) register the securities, (b)
3 provide a prospectus for those securities, and other
4 representations made by GRIEG in breach of her role as a
5 officer and fiduciary of the bank defendants.

6 **24)** Attached hereto as Exhibit 1 is a true and accurate copy of
7 the "Promissory Note."

8 **25)** Attached hereto as Exhibit 2 is a true and accurate copy of
9 the "Security Agreement."

10 **26)** Attached hereto as Exhibit 3 is a true and accurate copy of
11 the "Mutual Settlement and Release."

12 **27)** Attached hereto as Exhibit 4 is a true and accurate copy of
13 the "2010 UCC1 Filing."

14 **28)** Attached hereto as Exhibit 5 is a true and accurate copy of
15 the Post Sale Transmittal by Defendant CASE LOMBARDI.

16 **29)** Attached hereto as Exhibit 6 is a true and accurate copy of
17 the "Statement of Account dated July 2021."

18 **30)** Attached hereto as Exhibit 7 is a true and accurate copy of
19 the "2021 UCC1 filing."

20 **31)** Attached hereto as Exhibit 8 is a true and accurate copy of
21 the "2010 Letter from Guillory to Dan."

22 **32)** Attached hereto as Exhibit 9 is a true and accurate copy of
23 the "2022 UCC3 for 2021" as transmitted the State of Hawaii
24 for recordation. This exhibit will be amended once the

1 endorsed filed copy is available from the State of Hawaii.

2 **33)** Attached hereto as Exhibit 10 is a true and accurate copy
3 of the "2022 UCC3 for 2010" as transmitted the State of Hawaii
4 for recordation. This exhibit will be amended once the
5 endorsed filed copy is available from the State of Hawaii.

6 **34)** Attached hereto as Exhibit 11 is a true and accurate copy
7 of the "Assignment, Grant, Sale, Quitclaim, Transfer and
8 Conveyance" by which Charlton received the rights to prosecute
9 the claims and causes of action in the immediate complaint.

10
11 **IV. Statement of Claims and Causes of Action**

12 I. VIOLATIONS OF SECURITIES ACT OF 1933

13 1. The securities agreements in Exhibits 1 and 2 are
14 unregistered securities which constitute a private placement
15 which was never offered to the public.

16 2. Not one of the named defendants appears to be registered or
17 licensed as a securities broker.

18 3. Each of the named defendants participated in a scheme to
19 promote, create and sell those unregistered securities in a
20 private placement to an unaccredited investor, Ms. Guillory.

21 4. Ms. Guillory did not participate in the drafting of the
22 securities agreements, having placed her trust and her money
23 with defendant GRIEG.

24 5. Prior to the execution of those securities agreements, they
 were prepared and transmitted via email and USMAIL by various

1 defendants, including, but not limited to CASE LOMBARDI &
2 PETTIT A LAW CORPORATION, GREIG, AND FIRST HAWAIIAN BANK.

3 6. The information transmitted with those securities
4 agreements may be construed as the only "prospectus" offered
5 and fully omit any facts necessary for any informed investment
6 decision.

7 7. Subsequent to the execution of those securities agreements,
8 they were transmitted via email and USMAIL by various
9 defendants, including, but not limited to CASE LOMBARDI &
10 PETTIT A LAW CORPORATION, GREIG, AND FIRST HAWAIIAN BANK. See
11 Exhibit 5.

12 8. Defendant CASE LOMBARDI also transmitted the UCC-1 for the
13 unregistered securities to the State of Hawaii for recordation.

14 9. Those acts, in violation of the Securities Act of 1933,
15 contributed directly to the loss of Ms. Guillory's investment
16 with defendant MAUI LOAN INC and its alter-egos.

17
18 II. BREACH OF CONTRACT

19 1. Ms. Guillory, as lender, entered into the following three
20 agreements with the defendant MAUI LOAN INC. and its alter-egos

21 (a) "Mutual Settlement and Release Agreement" dated effective
22 October 1, 2009, (b) "Promissory Note" dated effective November
23 2009, and (c) "Security Agreement" dated effective November
24 2009;

1 2. Ms. Guillory has performed all duties and obligations
2 required of her under those agreements. Plaintiff Charlton,
3 subsequent to stepping into the shoes of Guillory on those
4 agreements, has performed all duties and obligations (if any)
5 required of him under those agreements.

6 3. Defendant MAUI LOAN INC and its alter-egos have breached
7 those agreements by refusing to pay principal, refusing to pay
8 the balloon payment, refusing to pay interest, and refusing to
9 pay penalties due in accordance with their duties and
10 obligations pursuant to those agreements; and,

11 4. those breaches have damaged plaintiff in the sum of
12 approximately \$900,000 or such other amount as determined by
13 jury at trial.

14 III. ACCOUNT STATED;

15 1. As shown in Exhibit 6 hereto, defendant MAUI LOAN INC. and
16 its alter-egos, as borrower, paid eighty-three (83) monthly
17 principal and interest payments in the sum of \$1,341.09 per
18 month at a rate of 5% per annum to Ms. Guillory from October
19 2009 until August 2016 (inclusive);

20 2. Pursuant to the written agreements between the parties
21 attached hereto as Exhibits 1-3 the principal sum due was
22 \$145,000;

23 3. Pursuant to the written agreements between the parties
24 attached hereto as Exhibits 1-3 the borrower, MAUI LOAN INC.

1 and its alter-egos, agreed to pay the principal sum, plus
2 interest at a rate of 5% per annum, plus any penalties
3 specified in those agreements.

4 IV. ACCOUNTING;

5 1. In the alternative to other claims and causes of action
6 specified at law, or by contract in the instant complaint,
7 there is an equitable cause of action for an Accounting between
8 the Plaintiff and defendants, and each of them, in that Ms.
9 Guillory had loaned a sum certain of \$145,000 to various
10 defendants as of October 1, 2009, that Plaintiff Mr. Charlton
11 stepped into the shoes of Ms. Guillory with respect to such
12 indebtedness, and those defendants have not fully repaid the
13 principal sums, accrued interest, nor penalties on account of
14 such debt;

15 V. ALTER EGO LIABILITY;

16 1. For each cause of action enumerated herein, plaintiff
17 claims that there is such unity of interest and ownership
18 that the separate personalities of the corporation Maui Loan
19 Inc, the individuals Richard Dan, Richard Dan d/b/a Kamaaina
20 Loan, Richard Dan d/b/a MAUI PAWN SHOP, Carolyn Dan a/k/a
21 Carolyn Printz and the corporation VALLEY ISLE LOAN LLC; that
22 any liability of Maui Loan Inc under those causes of action
23 should be assigned jointly and severally against each of the
24 defendants Maui Loan Inc, Richard Dan, Richard Dan d/b/a

1 Kamaaina Loan, Richard Dan d/b/a MAUI PAWN SHOP, Carolyn Dan
2 a/k/a Carolyn Printz and, VALLEY ISLE LOAN LLC.

3 2. the failure to disregard the corporations would result
4 in fraud or injustice;

5 VI. FRAUD IN THE INDUCEMENT

6 1. Defendant GREIG and the other defendants made false
7 representations regarding the risk, safety and legal
8 requirements of the securities agreements at issue in this
9 complaint.

10 2. At the time those false representations were made,
11 defendants, and each of them, knew such representations were
12 false. Defendant CASE LOMBARDI, as a law corporation, is
13 also charged with the full knowledge of the law and therefore
14 (1) knew of the requirement to register the securities and
15 present a full and truthful prospectus to any potential
16 investors such as Ms. Guillory, (2) knew of the requirement
17 to verify, for purposes of a private placement, that an
18 investor in the shoes of Ms. Guillory was an "accredited
19 investor" as such is defined by the SEC, and (3) knew they
20 had a duty to transmit such prospectus and registration
21 statement to Ms. Guillory.

22 3. The defendants, and each of them, intended for Ms.
23 Guillory to rely on those false representations and omissions
24 to induce her to enter into those securities agreements, and

1 4. Ms. Guillory did rely on those false representations
2 of those defendants in making her decision to enter into
3 those securities agreements.

4
5 VII. BREACH OF FIDUCIARY DUTY

6 1. Ms. Guillory entrusted defendants GRIEG, FIRST
7 HAWAIIAN BANK and the BANK OF HAWAII, and each of them, with
8 a fiduciary trust and expectation of duty of loyalty that
9 they would act in her best interests ahead of their own.

10 2. By promoting the securities agreements at issue in
11 this complaint, and recommending "off books" investments that
12 were not insured deposits of those institutions, defendants
13 breached such fiduciary trust.

14 3. Ms. Guillory, and plaintiff Charlton, as her successor
15 in interest, have been damaged by such breach of trust and
16 uninsured "off books" investments to the extent that those
17 investments have not performed as well as insured instruments
18 offered by those institutions.

19 **V. Relief Requested**

20 I. A judgment against all defendants, and each of them,
21 jointly and severally, in the sum of \$330,957.53 plus
22 accrued interest from the date of filing of this
23 complaint, as provided by the Securities Act of 1933, less
24 any payments already received as shown by the cause of
 action for "Accounting" and any other amounts subsequently

1 approved by this Court.

2 II. A finding by this Court that such there is such unity of
3 interest and ownership that the separate personalities of
4 the corporation Maui Loan Inc. and the individuals Richard
5 Dan, Richard Dan d/b/a Kamaaina Loan, Richard Dan d/b/a
6 MAUI PAWN SHOP, Carolyn Dan a/k/a Carolyn Printz no longer
7 exists.

8 III. A judgment against defendants Maui Loan Inc., Richard Dan,
9 Richard Dan d/b/a Kamaaina Loan, Richard Dan d/b/a MAUI
10 PAWN SHOP, Carolyn Dan a/k/a Carolyn Printz, and each of
11 them, jointly and severally, in the sum of \$898,124.91
12 plus accrued penalties, other contract obligations, and
13 interest from the date of filing of this complaint and any
14 other amounts, such as costs and attorney's fees,
15 subsequently approved by this Court pursuant to the loan
16 securities documents at issue in this complaint.

17 **VI. Certification and Closing**

18 Under Federal Rule of Civil Procedure 11, by signing
19 below, I certify to the best of my knowledge, information,
20 and belief that this complaint: (1) is not being presented
21 for an improper purpose, such as to harass, cause
22 unnecessary delay, or needlessly increase the cost of
23 litigation; (2) is supported by existing law or by a
24 nonfrivolous argument for extending, modifying, or

1 reversing existing law; (3) the factual contentions have
2 evidentiary support or, if specifically so identified,
3 will likely have evidentiary support after a reasonable
4 opportunity for further investigation or discovery; and
5 (4) the complaint otherwise complies with the requirements
6 of Rule 11.

7 I agree to provide the Clerk's Office with any changes to
8 my address where case-related papers may be served. I
9 understand that my failure to keep a current address on
10 file with the Clerk's Office may result in the dismissal of
11 my case.

12 Dated this 29th Day of July 2022.

13 /s/ James Paulett Charlton Jr
14 Plaintiff, Pro Se
15 James Paulett Charlton Jr
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